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Letter No. 2205

March 21, 1985

**APPROVED LENDER
PROGRAM EXPANDED**

According to Sec'y of Agriculture John Block, the availability of timely operating credit for farmers is to be significantly enhanced by a regulation change making qualified lenders in the Farm Credit System eligible for the USDA's approved lender program. The regulation change also gives a Farmers Home Admin. State Director discretionary authority to waive either of two major requirements for a commercial lender to qualify for the approved lender program. The first requires the lender to have at least \$2.5 million or 50 pct. of its portfolio in agricultural loans. The second is that the lender's agricultural loan losses not exceed 1½ pct. of its portfolio for each of the three previous years or does not exceed 4½ pct. of the average portfolio for the three previous years.

FmHA TEAMS

Nine special farm credit support teams were dispatched to midwestern communities to assist farmers with credit problems resulting from bank failures, according to the U.S. Department of Agriculture. The teams, composed of loan specialists from the Farmers Home Admin., will attempt to guarantee loans for this year's crop for eligible farmers left without a regular source of credit by bank closings. Farmers Home Admin. teams are, or soon will be, working on loans left by bank failures in Afton, Aurelia, Cherokee, Inwood, Mt. Ayr, Oakland and Woodbine, Iowa...Fulda, Minn....Emington, Ill....and Arapahoe, Cody, David City, Dannebrog, Kilgore, Uehling and Verdigre, Neb.

**U.S. OILSEEDS
TO ASIA**

Six Asian countries are becoming increasingly important to U.S. oilseed producers and exporters, according to the U.S. Department of Agriculture. Indonesia, Malaysia, the Philippines, Korea, Japan and Taiwan now account for nearly one-fourth of U.S. exports of oilseeds and products. Prospects for expanding export sales to these Far Eastern markets are reflected in the region's growing demand for livestock products and increasing use of soybeans, peanuts and coconuts for food.

**MARCH WORLD
OILSEED
FORECAST**

The U.S. Department of Agriculture's March world oilseed production forecast for 1984/85 is 186 million 480 thousand metric tons, up 2 million 540 thousand metric tons from the Feb. forecast. The largest increases are for cottonseed, sunflowerseed, peanuts and soybeans. U.S. 1984/85 season average price forecasts decreased 20 cents per bushel for soybeans to \$5.55-\$6.25; fell \$5 per short ton for soybean meal to \$125-\$135; but remained the same for soybean oil at 27-31 cents per pound.

WILL THEY
MOO IN
CHINESE?

Sec'y of Agriculture John Block announced the People's Republic of China has formally accepted its first shipment of breeding cattle from the U.S. The shipment of 379 Holstein dairy cattle was flown in Jan. to Guangchow, China, where it was held in quarantine while USDA and Chinese veterinarians monitored the animals' health. The cattle were released from quarantine on Mar. 5.

U.S. AGRICULTURAL
EXPORTS

U.S. agricultural exports during the first four months of fiscal year 1985 totaled \$13.1 billion, down 4.4 pct. from the \$13.7 billion exported during the same period in fiscal 1984, according to the U.S. Department of Agriculture. Commodities contributing substantially to this \$600-million decline in value include the grain and feed and oilseeds and oilseed products sectors. Less pronounced declines were experienced by the dairy, horticultural and sugar and tropical products sectors.

AG OUTLOOK

With many U.S. farmers facing increased financial stress, the farm sector economy is expected to remain sluggish in 1985, according to the Agricultural Outlook report of U.S. Department of Agriculture. Returns are depressed and farm asset values have dropped. Areas hardest hit are the Corn Belt and the upper Midwest, where values have dropped severely. Many farmers do not have enough cash flow to service their debts, and face obstacles in getting additional credit because of the declining values of their assets.

SALES TO
USSR

The most recent sale of grain to the Soviet Union was for 300,000 metric tons of corn for delivery to the USSR during the 1984-85 marketing season, according to the U.S. Department of Agriculture. Sales of wheat and corn to the USSR for delivery during the second year of the Long Term Grain Agreement now total 17,010,900 tons, of which wheat is 2,887,200 tons and corn is 14,123,700 tons.

CHINA'S
FARMS

China has scored phenomenal gains in agricultural production over the last six years, according to the U.S. Department of Agriculture. China is now the world's number one producer of wheat, rice, cotton and tobacco. China has an arable land mass of 250 million acres and a population now over one billion. Since 1949, China's agriculture has struggled with two opposing economic philosophies. One is indirect planning, which makes room for private enterprise. The other is direct planning, in which the state controls all.

SICK HOGS
IN BELGIUM

Six outbreaks of African Swine Fever were discovered in northwest Belgium, the center of the Belgian hog industry, which accounts for approximately 50 pct. of total production, according to the U.S. Department of Agriculture. The European Community has imposed restrictions on trade in Belgian hogs and fresh and frozen pork products. The origin of the outbreak first discovered on Mar. 8 appears to be Spanish cured, uncooked pork. If depopulation slaughter increases, it may reduce pressure on Danish pork exports to the U.S. and open up a market in the EC for more U.S. pork livers.

EMERGENCY
LOANS TO
MINN.

Sec'y of Agriculture John Block named 15 counties in Minnesota as eligible for Farmers Home Administration's emergency loans because of losses due to adverse weather. Farmers in those counties have eight months in which to apply for the loans to cover part of their actual losses.

FROM OUR
TELEVISION
SERVICE

"Sugars and Sweeteners Update"...Prices for domestic raw sugar prices fell to 20.56 cents a pound in February, continuing its decline since June. USDA economist Robert Barry talks about the current sugars and sweeteners outlook. DeBoria Janifer interviews. (341)

"U.S. Oilseeds Exports"...Judith Goldich with USDA's Foreign Agricultural Service discusses the future of oilseed exports to the Far East, and factors contributing to the increased demand. DeBoria Janifer interviews. (342)

"Exotic Newcastle Disease"...Exotic Newcastle disease is a deadly virus affecting birds that can cause death rates of 50 to 95 percent in chickens. Dr. E. C. Sharman with USDA's Animal and Plant Health Inspection Service, focuses on eradication methods for this disease. DeBoria Janifer interviews. (343)

"Peace Corps African Initiative"...Loret Miller Ruppe, Peace Corps Director, focuses on this dynamic organization and the type of work being done to improve human understanding, living conditions and friendship in nearly 60 developing nations. Don Elder interviews. (344)

"Peace Corps - The Volunteer Experience"...George Scharffenberger, a Peace Corps veteran of nearly ten years in West Africa, describes his experiences as a Peace Corps volunteer. Don Elder interviews. (345)

COMMENT PERIOD
ON BEEF YIELD
EXTENDED

The comment period was extended until May 1 on U.S. Department of Agriculture proposed changes in official U.S. standards for yield grades of beef carcasses and cattle. An industry trade organization requested the further extension to allow the industry time to carefully evaluate the proposed rule and the impact it could have on the industry. The proposed changes were published in the Federal Register on Nov. 8, 1984. Send comments to the Standardization and Review Branch, room 2649-S, AMS, USDA, Washington, D.C. 20250.

TOBACCO
PRODUCTION
TO DECLINE

U.S. tobacco growers indicated in early Feb. they intended to reduce this year's total crop about 10 pct. to 715,000 acres, according to the U.S. Department of Agriculture. This is in response to an 8 pct. cut in the effective quota for flue-cured and a 22-pct. reduction for burley tobaccos. If flue-cured tobacco growers carry out their intentions, acreage would drop to a record-low 361,000. The smaller acreage, together with average yields, would lower this year's crop about 15 to 20 pct. from 1984's 1.74 billion pounds. The domestic tobacco supply for 1985/86 would fall a little from this season's level. (For more information, call Verner Grise at 202-447-8776.)

COWS WORK
HARD

Milk production during Feb. 1985 totaled 10.6 billion pounds, 3 pct. below February 1984, according to the U.S. Department of Agriculture. Feb. production per cow averaged 977 pounds, 18 pounds less than Feb. 1984. Total milk cows averaged 10.8 million head, 1 pct. less than Feb. 1984. (For more statistical information, call 202-447-6351.)

OFF MIKE

Paul Pippert is no longer with KCMO, Kansas City, MO. He will be returning to his old haunts at WIBW in Topeka, KS, April 8. We talked with Kathy Patton at WIBW, and she said it would be good to have Paul back. Seems, he always kept things livened up when he was there before KCMO in addition to his regular newswork ... New chapter in the George Stephens "water buses." Earlier we reported George (WDAF, Kansas City, MO) had filled up a bus for a trip to Europe. Subsequently we learned that Jim Mills (NAFB Sales/Marketing Director) found it interesting that the group was taking a bus to Europe. George now reports he's filled a second "drives-on-water" bus for the 15 day trip to Europe (starts March 28). No doubt we'll hear more on this later ... Wey Simpson (KXLY, Spokane, WA) recently was asked to enceed a meeting of the Washington Purebred Dairy Cattle Assn. It was the meeting where they install a worthy person into their Dairy Hall of Fame. Wey introduced the person who was to make the award...and, surprise!, they wouldn't let Wey sit down. You guessed it. Wey was the person to be installed. Our congratulations!!! ... Nelson Robinson (USDA-ASCS Radio/TV specialist, Washington, D.C.) called Dawson Ahalt (USDA agriculture attache, Argentina) in mid-March concerning an elevator explosion in Dawson's part of the world. After the interview, Dawson reported he had met with Johnnie Hood (WPTF/So. Farm Net, Raleigh, NC), NAFB president, and the group touring Argentina's soybean industry. Dawson described Johnnie to a "T": "He had his pipe in the middle of his mouth and was talking from around both sides of it." ... Spring is officially here, but we have one last touch of winter to report. Cliff Mitchell (KASM, Albany, MN) reports they had a big snowstorm, March 4. Only he and a secretary made it to work, walking the last 1½ miles. "I held a marathon broadcast for 14 hours straight as we watched the drifts pile higher and higher." I'm sure Cliff is glad it's spring.


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1451...(Weekly 13½ min. documentary) It's clean up and spruce up time for your lawn. On this edition of Agriculture USA Brenda Curtis talks to USDA turf specialist Jack Murray about proper spring lawn care as well as proper lawn care all season long.

AGRITAPE/FARM PROGRAM REPORT #1440...(Weekly reel of news features) USDA news highlights; Coccidiosis: A threat to poultry; Developing new varieties; Agriculture Day.

CONSUMER TIME #933...(Weekly reel of five 2½-3 min features) Egg safety; Safe holiday hams; Why teenagers drink alcohol; Home gardeners rotate; Pet llamas.

USDA RADIO NEWS SERVICE...Tues, April 2, Weekly weather and crop summary; Tues, April 9, Weekly weather and crop summary; Wed, April 10, U.S. crop production; World ag. supply and demand and vegetables report. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.



JAMES L. JOHNSON, Chief
Radio and Television Division